

## ENERGY EFFICIENCY OF BUILDINGS: CHALLENGING GOAL AHEAD



The European Commission is working to make European buildings less energy intensive and thus more environmentally friendly. Buildings are one of the largest sources of energy consumption in Europe and improving their energy efficiency would reduce emissions and support economic recovery and job creation across the EU. On 10 December 2021, the Commission published a proposal to revise the Energy Performance of Buildings Directive (EPBD), which is a key element of the October 2020 renovation wave strategy. The EPBD was also the main topic of a debate co-organized by CEBRE on 10 February 2022. According to Radoš Horáček from the European Commission's Energy Efficiency Unit, the Renovation Wave Strategy and the EPBD offer a medium-term vision of the EU until 2030, which foresees a doubling of the number of renovations underway and a 60% reduction in the sector's emissions, 14% reduction in final consumption and 18% reduction in energy consumption. Experts speaking at the debate representing

both the public and private sectors agreed that the new directive is not only a challenge for the Czech Republic, but also an opportunity to attract new resources to the sector and to streamline the innovation process. The Czech Republic's renovation plans will serve to monitor progress towards the set targets. The draft directive introduces several innovative measures, such as new zero-emission homes, minimum energy performance standards for existing buildings and the associated change in energy labels, and the development of infrastructure for sustainable mobility. The Commission's representative has also dispelled the myths surrounding the ban on gas boilers in the Czech Republic. This is not a ban on the purchase or use of gas boilers, but an end to subsidies for the installation of new fossil fuel-based equipment as of 2027. The Czech Republic has allocated CZK 300 billion for the new targets, while CZK 100 billion has been earmarked in the support programmes for EPBD.

## BUSINESS SUPPORT THE IDEA BEHIND DATA ACT

On 23 February 2022, the European Commission presented a proposal of a Data Act, which aims to establish rules to allow users to access and share data generated by connected devices with third parties, as well as measures to counterbalance the bargaining power of small and medium-sized enterprises to prevent abuses of the contractual balance in data sharing contracts, and means to access private sector data for use by the public sector in emergency cases. In addition, the Act deals with rules to allow clients to switch cloud service providers. For example, according to a Commission survey, 80% of industrial data is unused, and this data holds huge potential for use in new services or products. In general, European business welcome the idea behind the proposal. For example, Eurochambres welcomes this initiative and sees it as an important step towards facilitating the creation of a thriving data economy in Eu-

rope. European legislation should provide legal certainty and conditions for voluntary data sharing and exchange. The Data Act will enable start-ups and companies from all economic sectors to fully participate in the digital economy of tomorrow. BusinessEurope supports the swift adoption of this initiative as, for example, some European companies doing business across the Atlantic face obstacles such as legal uncertainty and increased costs of doing business because there is no legal framework for data transfer between the EU and the US. The emerging data law should not become a barrier to investment and economic growth for European companies by forcing data sharing where it is not needed. The COVID-19 pandemic is a good example of effective cooperation between European businesses and public authorities in dealing with emergencies. It is also very important not to violate the confidentiality of trade secrets and

## News FLASH

### >NEW PROGRAMME FOCUSED ON BUILDINGS

The Ministry of Industry and Trade of the Czech Republic has launched a new subsidy programme aimed at supporting the revitalisation of buildings and objects owned by regions with the intention of carrying out energy-efficient renovation of buildings, or demolition and construction of new energy-efficient buildings. CZK 500 million will be available for this programme.

### >CZECH REPUBLIC WELCOMES OUTCOMES OF TAXONOMY DIS- CUSSIONS

The Czech Republic, together with partner countries, successfully pushed through a number of its requirements in the draft of taxonomy. As a result, gas and nuclear energy will be viewed as energy sources necessary for the transition to a carbon free economy. In the case of nuclear power, the construction of new nuclear power plants will be, under certain conditions, considered sustainable.

### >RAW MATERIALS NEEDED FOR EU COMPETITIVENESS

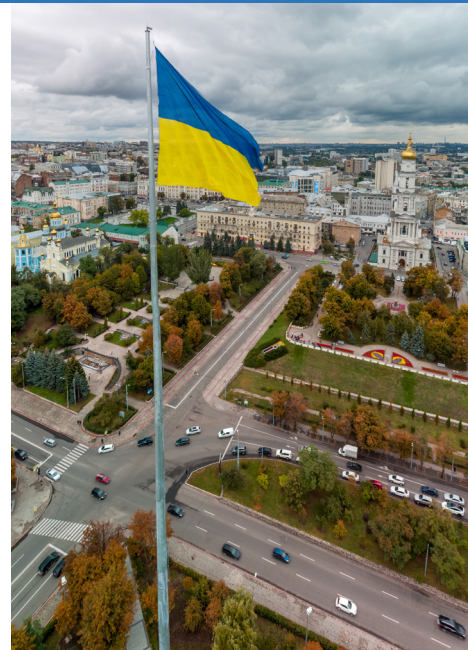
During the informal Council meeting, the Czech Republic supported the EU raw material security as a prerequisite for future competitiveness of the EU and proper functioning of the internal market. It also supported the need to strengthen chip production in the EU and support research and development in chip design.

to comply with the General Data Protection Regulation (GDPR) and intellectual property rights. Data sharing should be supported by a cloud infrastructure based on the principles of security, interoperability, portability and openness. This will build market participants' trust in data sharing, storage and processing. In this respect, the Czech Republic sees the Data Act as a key element in the emerging new modern economy, whose fundamental pillars must be security, transparency, clarity, safety, interoperability and affordability.

# UKRAINE: BUSINESSES STRONGLY CONDEMN RUSSIAN ACTIONS AND OFFER A HELPING HAND

The unprecedented Russian attack on Ukraine on the 24<sup>th</sup> of February was a shock to the whole world. By invading the sovereign country of Ukraine, Russia clearly broke international rules and threatened global peace and stability. Businesses all over Europe strongly condemn the invasion that is currently underway and they are looking for ways to help Ukrainian people in these difficult times. For the Czech Republic, the situation is extremely sensitive due to the historical experience with Russian invasions that paralysed the country several times. Therefore, Czech business associations and companies themselves are trying to help in any way possible to mitigate the impact on Ukrainian civilians and are prepared to help them. Although many companies are still struggling with the impacts of the COVID-19 pandemic, the wave of solidarity has been huge. A significant number of companies have provided financial and material help. In addition to that, many companies have also helped in the form of accommodation offered to

Ukrainians. Apart from that, a large number of companies are able to employ Ukrainian refugees and help them with language and courses, which should speed up their integration into Czech society. A positive step in this context was the approval of a so-called Lex Ukraine consisting of three legislative acts that should help to employ Ukrainians in the Czech Republic. They allow Ukrainians to acquire the status of foreign citizen with permanent residence permit, allow them to access social security schemes, healthcare benefits, and also enter the labour market. Apart from that, Ukrainian children gained access to the education system in the Czech Republic. The Russian invasion has also had a clear negative impact on Czech companies and citizens due to the steep rise in energy and fuel prices. Although this is a small burden compared to the burdens of Ukrainian people, Czech business call on European leaders to come up with a solution to mitigate the negative impact of these impacts on European businesses as soon as possible.



## EESC CORNER: COHESION POLICY CONTINUES TO NARROW DISPARITIES BETWEEN EU REGIONS



The EESC welcomes the Commission's Communication on the 8<sup>th</sup> Cohesion Report: Cohesion in Europe towards 2050. The report is a great source of information on the efforts undertaken towards economic, social and territorial cohesion and the problems associated with achieving cohesion. The new document is all the more important in that more than four years have passed since the previous (7<sup>th</sup>) report. The 8<sup>th</sup> Cohesion Report published by the Commission shows that Cohesion policy has helped to narrow territorial and social disparities between regions in the EU. Thanks to Cohesion funding, the GDP per capita of less developed regions is expected to increase by up to 5% by 2023. The same investments also supported a 3.5% reduction in the gap between the GDP per

capita of the 10% least developed regions and the 10% most developed regions.

The report also shows that, thanks to its flexibility, Cohesion policy provided much needed and very swift support to Member States, regional and local authorities in the midst of economic slowdowns and the worst crisis of recent times. Cohesion policy became a more important source of investment. Cohesion funding grew from the equivalent of 34% to 52% of total public investment from the 2007-2013 programming period to the 2014-2020 programming period. Since 2001, less developed regions in Eastern Europe have been catching up with the rest of the EU. At the same time however, many middle-income and less developed regions, especially in the southern and south-western EU, have

suffered from economic stagnation or decline. The report stresses that the pandemic has led to the greatest recession since 1945, particularly in sectors that rely on personal interaction (such as tourism), and has drastically changed the nature of work, education and social life, as well as the situation in border regions. Overall, the pandemic has had a greater negative impact in less developed regions, which slowed down the pace of convergence.

Convergence between Member States has accelerated, but internal regional disparities within the fast-growing Member States have increased. Employment has been growing, but regional disparities remain larger than before 2008. The number of people at risk of poverty and social exclusion fell by 17 million between 2012 and 2019.

There are also challenges with the Cohesion policy, such as the fact, that the regional innovation divide in Europe has grown, due to a lack of investment in R&D and weaknesses in innovation ecosystems of the least developed regions or that the EU population is ageing and will start shrinking in the years to come. In 2020, 34% of the EU population lived in a shrinking region. This is projected to reach 51% in 2040.



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